



**World Food
Programme**

Information Memorandum

February 2017

Internal Audit of Financial Service Providers for Cash-Based Transfers (AR/17/01)

Management Comments

WFP Management welcomes the audit observations contained in the audit of Financial Service Providers for Cash-Based Transfers and conclusions of “partially satisfactory” by the Office of the Inspector General. The audit report covers the period from 1 October 2015 to 30 September 2016, and focuses largely on contracting, related corporate processes and operation of commercial financial service providers.

WFP Management acknowledges the positive practices and initiatives noted in the audit report, including the development and adoption of normative guidance, and control to the selection and management of financial service providers. To a great extent, the audit report recognized the significant improvements in the operational and financial risk assessment of financial service providers, as well as the strengthening of WFP capacity to respond to technical support requests from field operations.

WFP Management acknowledges that no high-risk audit observations were raised, and recognizes the significance of the six medium-risk audit observations to improve the effectiveness of Cash-Based Transfers regulatory framework and its implementation. Some of the agreed actions have already been initiated such as the development of financial service providers’ database as well as development of a streamlined contract review process. In order to ensure further enhancement to Cash-Based Transfers process, the Finance and Treasury Division will coordinate timely completion of the agreed actions with relevant divisions.

WFP Management appreciates the recognition of important strategic opportunities identified in the context of the Internal Audit Report regarding the Global Beneficiary Payments Solutions (GBPS) platform and is fully committed to ensure the roll-out of GBPS corporately.

WFP management would like to thank the Office of the Inspector General for the meaningful collaboration and support.

Drafted by: ext.:

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